

ENDNOTES

1. In this Report, unless otherwise noted, IRRF refers to the \$18.4 billion of funds appropriated under Title II of the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106). The SIGIR's statutory duties are directly linked to this appropriation, which is funding current relief and reconstruction programs and operations in Iraq. It is distinguished from the \$2.475 billion appropriation to the IRRF under the Emergency Wartime Supplemental Act, 2003 (P.L. 108-11). This appropriation is identified in this Report as IRRF (2003).
2. The SIGIR April 2006 Quarterly Report incorrectly reported the figure of \$365 million allocated to anticorruption because of a calculation error.
3. Human Rights Report, UN Assistance Mission for Iraq, June 30, 2006, p. 3.
4. The data supporting figures and analysis for projects has been extracted from two sources: the Iraq Reconstruction Management System (IRMS), for GRD-PCO projects, and the USAID activities report. Last quarter, SIGIR used the IRMS as the source for both GRD-PCO and USAID project data. This quarter, USAID advised SIGIR not to use IRMS as an official record of its activities. A comparison of last quarter's project data to information in this report is not recommended.
5. The NCD is a joint initiative of the Iraq Reconstruction Management Office (IRMO) and U.S. Agency for International Development (USAID) that focuses on targeted ministerial training and broader multi-layer capacity development. MCT coordinates and supervises the Ministerial Advisory teams (MATs) that advise the ten key Iraqi ministries (Finance, Oil, Electricity, Water, Utilities and Public Works, Justice, Agriculture, Health, Planning, and Education).
6. Ministerial Coordination Team, Briefing to SIGIR, No Date, slides 3, 8, and 16.
7. GRD-PCO vetting response, April 20, 2006. GRD-PCO notes that this does not include the Ambassador's deferred and reinstated projects and projects currently funded from contract cost savings.
8. GRD-PCO vetting response, July 18, 2006.
9. GRD-PCO vetting response, July 18, 2006.
10. USACE-GRD, "Reconstruction Continues in Iraq," October 2, 2005.
11. IRMO vetting response, July 20, 2006.
12. GRD-PCO response to SIGIR data call, June 19, 2006.
13. GRD-PCO response to SIGIR data call, June 19, 2006.
14. IRMO vetting response, July 20, 2006.
15. IRMO vetting response, July 20, 2006.
16. GRD-PCO vetting response, July 18, 2006.
17. GRD-PCO vetting response, July 18, 2006.
18. GRD-PCO response to SIGIR data call, June 19, 2006.
19. GRD-PCO response to SIGIR data call, June 19, 2006.
20. Department of State, *Section 2207 Report*, July 2006, p. I-65.
21. Department of State, *Iraq Weekly Status*, June 29, 2005, p. 10; IRMO, *Weekly Status*, June 27, 2006, p. 3.

22. Department of State, *Section 2207 Report*, July 2006, pg. I-60.
23. Iraqi Ministry of Electricity, Master Plan 2006-2015, no date.
24. SIGIR interview with Ministry of Electricity, July 10, 2006.
25. IRMO vetting response, July 20, 2006.
26. Ministry of Finance, The State General Budget for 2005, December 27, 2004, p. 30; ID-USD Exchange rate: Department of State, *Iraq Weekly Status*, June 29, 2005, p. 16.
27. SIGIR interview with Ministry of Electricity, July 10, 2006.
28. Department of Energy, "Iraq Country Analysis Brief," December 2005. Available online at <http://www.eia.doe.gov/emeu/cabs/Iraq/Electricity.html>.
29. GRD-PCO vetting response, July 18, 2006.
30. Defense Reconstruction Support Office, "Summary and Technical Report Iraqi Electricity Sector," April 22, 2005, p. 35.
31. World Bank, "Rebuilding Iraq: Economic Reform and Transition," February 2006, p. 7.
32. Glenn Zorpette, "Re-Engineering Iraq," IEEE Spectrum, February 2006, p. 3.
33. International Monetary Fund, press release no. 05/307, "IMF Executive Board Approves First Ever Stand-By Arrangement for Iraq," December 23, 2005.
34. SIGIR interview with Ministry of Electricity, July 10, 2006.
35. Iraqi Ministry of Electricity, Master Plan 2006-2015, no date.
36. GAO 06-697T, "Testimony Before the Subcommittee on National Security, Emerging Threats, and International Relations; Committee on Government Reform, House of Representatives," April 25, 2006, pp. 23-24.
37. GAO 06-697T, "Testimony Before the Subcommittee on National Security, Emerging Threats, and International Relations; Committee on Government Reform, House of Representatives," April 25, 2006, pp. 23-24.
38. GRD-PCO vetting response, July 18, 2006.
39. Ministerial Coordination Team, briefing to SIGIR, no date, Slide 10.
40. IRMO vetting response, July 20, 2006.
41. Defense Reconstruction Support Office, Summary and Technical Report Iraqi Electricity Sector, April 22, 2005, p. 3.
42. Reda, M., N. Saied et al, "Iraq Electrical Power Infrastructure – Past, Present and Future Developments and Expectations," Published by IEEE, No Date, pp. 2-4.
43. GAO, 06-697T, "Testimony Before the Subcommittee on National Security, Emerging Threats, and International Relations; Committee on Government Reform, House of Representatives," April 25, 2006, pp. 23-24.
44. Department of Energy, "Iraq Country Analysis Brief," June 2006, p. 9.
45. The natural gas estimate does not include initial capital expenditures and also assumes that the cost of flared natural gas is zero. GAO, 06-697T, "Testimony Before the Subcommittee on National Security, Emerging Threats, and International Relations; Committee on Government Reform, House of Representatives," April 25, 2006, pp. 23-24.

46. SIGIR interview with Ministry of Electricity, July 10, 2006.
47. SIGIR Audit 06-009, April 28, 2006, p. i.
48. Southeast Texas Industrial Services, Inc., memo to Ministry of Electricity, May 18, 2006.
49. GAO, 06-697T, “Testimony Before the Subcommittee on National Security, Emerging Threats, and International Relations; Committee on Government Reform, House of Representatives,” April 25, 2006, pp. 12-13.
50. USACE-GRD, “Bi-Weekly Situation Report,” June 24, 2006, p. 9.
51. For EP data: USACE-GRD, “Bi-Weekly Situation Report,” June 24, 2006, p. 9; for EPC data: Iraq Reconstruction Management System, as of July 10, 2006.
52. GRD-PCO vetting response, July 18, 2006.
53. Department of State *Section 2207 Report*, Appendix 1, July 2006, p. 72.
54. GRD-PCO vetting response, July 18, 2006.
55. GRD-PCO response to SIGIR data call, July 10, 2006.
56. GRD-PCO vetting response, July 18, 2006.
57. GRD-PCO vetting response, July 18, 2006.
58. GRD-PCO vetting response, July 18, 2006; follow-up data request received from GRD-PCO on July 18, 2006.
59. GRD-PCO vetting response, July 18, 2006.
60. GRD-PCO vetting response, July 18, 2006.
61. GRD-PCO vetting response, July 18, 2006.
62. USTDA, “Iraq Oil Training Program – IRRF II Funds,” July 3, 2006, p. 2.
63. USTDA reported to SIGIR that this training program was developed based on energy sector discussions in December 2004 during the second U.S.-Iraq Joint Economic Consortium meeting. These are the three funding groups: \$1 million in IRRF funding for management training, including management/leadership skills, financial management, commercial operations, and legal/regulatory compliance; \$1 million in IRRF funding for technical training, O&M for drilling and pipelines, well logging, and environmental control/mitigation; and \$500,000 in USTDA core funds for human resources development/management, including change management, workforce productivity, and professional development.
64. SIGIR interview with USTDA officials, June 21, 2006.
65. GRD-PCO response to SIGIR data request, June 28, 2006.
66. GRD-PCO vetting response, July 18, 2006.
67. Department of Energy, “Iraq Country Analysis Brief,” June 2006, p. 9.
68. Department of Energy, “Iraq Country Analysis Brief,” June 2006, p. 9.
69. “Strategic Integration and Investment Planning of Electricity and Oil and Gas,” presentation by Jim Hicks, former Senior Advisor for the Electric Sector under the Coalition Planning Authority, delivered on June 7, 2006, in Washington, D.C.
70. Department of State, *Section 2207 Report*, Appendix 1, July 2006, p. 72.

71. International Monetary Fund; “Iraq: Request for Stand-By Arrangement—Staff Report, Staff Supplement, Press Release on the Executive Board Discussion, and Statement by the Executive Director for Iraq;” January 2006, p. 3.
72. Department of State, *Section 2207 Report*, Tab 5 (Selected Metrics), July 2006, p. 11.
73. Department of State, *Iraq Weekly Status*, July 5, 2006, p. 18.
74. GAO 06-697T, “Rebuilding Iraq: Governance, Security, Reconstruction, and Financing Challenges—Statement of David M. Walker, Comptroller General of the United States,” April 25, 2006, p. 8.
75. Department of Energy, “Iraq Country Analysis Brief,” June 2006, p. 9. Note: As of July 5, 2006, DoS reported Iraq’s supply of critical refined fuels for the quarter: 7 days for diesel, 12 days for kerosene, 3 days for gasoline, and 4 days for LPG. The goal is a 15-day supply. (DoS, *Iraq Weekly Status*, July 5, 2006, p. 21)
76. “News in Brief,” *Petroleum Economist*, July 12, 2006.
77. GAO 06-697T, “Rebuilding Iraq: Governance, Security, Reconstruction, and Financing Challenges—Statement of David M. Walker, Comptroller General of the United States,” April 25, 2006, p. 19.
78. Iraqi Ministry of Oil Inspector General, “Summary of the Annual Reports for 2005,” April 2006, p. 6.
79. “Energy Sector Action Plan Summer Targets—Electricity and Oil,” March 12, 2006, p. 13.
80. Department of Defense, “Measuring Stability and Security in Iraq,” May 26, 2006, p. 18.
81. World Bank, “Rebuilding Iraq: Economic Reform and Transition,” February 2006, p. 7.
82. SIGIR Interview with Minister of Oil Husayn al Sharistani, July 15, 2006.
83. Department of State, *Iraq Weekly Status*, March 7, 2006, p. 6.
84. Inspector General of the Iraqi Ministry of Oil, “Summary of the Annual Reports for 2005,” April 2006, p. 12.
85. Data response from government energy expert, July 5, 2006.
86. “Control from the Centre,” *Middle East Economic Digest*, May 26, 2006.
87. “Iraqi Fires Fuel Distribution Company Management over Corruption,” *Platts Commodity News*, July 10, 2006.
88. Comprehensive Survey in Iraq—10 Key City Data, June 2006, pp. 3 and 5.
89. Inspector General of the Iraqi Ministry of Oil, “Second Transparency Report: Smuggling Crude Oil and Oil Products,” April 2006, p. 4.
90. Inspector General of the Iraqi Ministry of Oil, “Second Transparency Report: Smuggling Crude Oil and Oil Products,” April 2006, p. 6.
91. According to the “Second Transparency Report,” (p. 8) the level of subsidies to imported oil products is approximately 80% after the December 2005 price increase, and the value of this governmental support is expected to surpass the \$5 billion mark for 2006 (having reached \$4.3 billion in 2005).
92. GAO 06-697T, “Rebuilding Iraq: Governance, Security, Reconstruction, and Financing Challenges—Statement of David M. Walker, Comptroller General of the United States,” April 25, 2006, p. 12.
93. Department of State, *Iraq Weekly Status Report*, July 5, 2006, p. 4.

94. SIGIR interview with U.S. government energy expert, conducted by telephone on June 29, 2006. IRMO vetting response, July 20, 2006, indicated that a “smaller piece of legislation on fuel import liberalization has been passed by the Council of Ministers and should be at the Council of Representatives. It is unclear whether the draft legislature passed through the ‘Ashura’ council, which sits at the Ministry of Justice, for constitutional review before it went to the Council of Representatives.”
95. Also referred to as the Erbil City-Ifraz Main Water Supply Project and the Erbil Ifraz Water Supply Project.
96. USACE-GRD, “Bi-Weekly Situation Report,” February 20, 2006, p. 11.
97. USACE-GRD, “Bi-Weekly Situation Report,” March 17, 2006, p. 12; USACE-GRD, “Bi-Weekly Situation Report,” April 1, 2006, p. 14.
98. USACE-GRD, “Bi-Weekly Situation Report,” April 1, 2006, p. 14; GRD-PCO, data call to SIGIR, June 19, 2006.
99. USACE-GRD, “Bi-Weekly Situation Report,” February 20, 2006, p. 10.
100. IRMO, Information Memorandum from Acting IRMO Director to Deputy Chief of Mission, April 19, 2006.
101. USACE-GRD, “Bi-Weekly Situation Report,” March 17, 2006, p. 12.
102. Department of State, *Section 2207 Report*, July 2006, p. I-78.
103. GRD-PCO, SIGIR Data Request, Excel spreadsheet. email from DoS, March 24, 2006.
104. GRD-PCO, vetting response to SIGIR, received on July 24, 2006.
105. Department of State, *Section 2207 Report*, July 2006, p. I-76.
106. GRD-PCO vetting response, April 20, 2006.
107. Department of State, response to SIGIR data request, March 24, 2006, p. 6.
108. GAO estimated that, by 2003, the production level of water was 60% in urban areas and 50% in rural areas—enough to serve 14 million people. GAO noted that much of the water was lost because of leakage and contamination (GAO 05-872, “Rebuilding Iraq: U.S. Water Efforts Need Improved Measures for Assessing Impact and Sustained Resources for Maintaining Facilities,” September 2005, p. 5.) GRD-PCO cited these same figures in “History of the Water Sector,” received on January 13, 2006. USAID estimated that 50% of the population was served by water treatment plants (USAID, *Vision for Post-Conflict Iraq*, February 2003, p. 3). The UN and World Bank estimated that pre-war water levels declined in some governorates by as much as 50% since 2000. In 2000, roughly 19 million people had access to water; 9.5 million people had access under the worst-case scenario of all governorates decreasing by 50% (UN/World Bank, “Joint Needs Assessment,” October 2003, p. 21). The U.S. Embassy in Iraq reported a pre-war level of 5.5 million people, which appears to be an outlier from the other figures (Department of State, “Reconstruction Progress in Iraq,” November 30, 2005).
109. GAO 05-872, “Rebuilding Iraq: U.S. Water Efforts Need Improved Measures for Assessing Impact and Sustained Resources for Maintaining Facilities,” September 2005, p. 25.
110. GRD-PCO, CY 2006 USG Water Sector Sustainment Program (WSSP), received via email on June 27, 2006, p. 1.
111. USAID response to SIGIR data request, Excel spreadsheet, email from DoS, March 24, 2006.
112. GRD-PCO response to SIGIR data request, Excel spreadsheet, email from DoS, March 24, 2006.
113. GRD-PCO response to SIGIR data call, June 19, 2006.

114. Ministerial Coordination Team, briefing to SIGIR, no date, slide 10.
115. For definitions of these and other sectors, see Appendix H.
116. United Nations/World Bank Joint Iraq Needs Assessment, October 2003, p. 36.
117. Onur Ozlu and Anthony Cordesman, "Iraqi Economic Reconstruction and Development," Center for Strategic and International Studies, April 21, 2006, p. 32; IRMO agriculture expert vetting comments.
118. *Ibid.*
119. USAID Agriculture Fact Sheet, June 2006.
120. UN/World Bank Joint Needs Assessment for Iraq Reconstruction, October 2003, p. 38; According to the report, short-term assistance should aim to reconstruct damaged and degraded agriculture facilities and reestablish and improve the efficiency of key agricultural services. Medium-term priorities would gradually transition the subsector toward a market-oriented rural economic system with a significant, competitive, and sustainable private sector. p. 37.
121. Vetting comments received from IRMO Agriculture official on July 19, 2006.
122. USAID agriculture officials, SIGIR interview, June 29, 2006; USAID also reported to SIGIR on July 20, 2006 that ARDI was approved for a no-cost extension on June 6, 2006.
123. USAID agriculture experts, SIGIR interview, June 29, 2006; the CERP-funded program is intended to extend existing production assistance programs and agribusiness development initiatives to other areas of the country
124. USAID agriculture experts, SIGIR interview, June 29, 2006.
125. USAID response to SIGIR data request, July 21, 2006; USAID informed SIGIR that a "direct benefit is defined as a measurable increase in the beneficiary's ability to improve production."
126. USAID agriculture experts, SIGIR interview, June 29, 2006.
127. Onur Ozlu and Anthony Cordesman, *op. cit.*, p. 33.
128. Joint Chiefs of Staff (C4), "Agriculture Sector to Appendix 5 (Help Iraq Strengthen its Economy) to Annex C to the Joint Campaign Plan," April 9, 2006, p. 10.
129. Department of State *Section 2207 Report*, Appendix I, July 2006, p. 37.
130. Public Law 109-234, "Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006," June 15, 2006, p. 433.
131. USAID vetting comments, July 18, 2006.
132. USAID vetting comments, July 18, 2006.
133. Department of State, *Section 1227 Report*, July 6, 2006, p. 6.
134. USAID reconstruction officials, SIGIR interview, May 31, 2006; vetting comments received from USAID on July 18, 2006.
135. USAID reconstruction officials, SIGIR interview at USAID, May 31, 2006.
136. USAID response to SIGIR data request, July 10, 2006.
137. USAID Capacity Building Office vetting comments, July 20, 2006.
138. USAID/ANE/Office of Iraq Reconstruction, Democracy and Governance Sector; data form input; March 15, 2006.

139. National Democratic Institute, “NDI–Iraq Weekly Update,” May 12, 2006; NDI vetting comments, July 18, 2006.
140. National Democratic Institute, “NDI–Iraq Weekly Update,” May 26, 2006.
141. IRI information, received by SIGIR on July 19, 2006.
142. Department of State, *Iraq Weekly Status*, March 15, 2006, p. 3.
143. Department of Defense, “Measuring Stability and Security in Iraq,” May 26, 2006, p. 8.
144. Department of State, *Iraq Weekly Status*, May 3, 2006, p. 8.
145. Department of Defense, “Measuring Stability and Security in Iraq,” May 26, 2006, p. 8.
146. Department of Defense Update on June 8, 2006, www.defenselink.mil.
147. Department of State, *Section 1227 Report*, July 6, 2006, p. 5.
148. GAO 06-697T, “Rebuilding Iraq: Governance, Security, Reconstruction, and Financing Challenges; Testimony of David Walker, Comptroller General of the United States,” April 25, 2006, p. 9.
149. GAO 06-697T, “Rebuilding Iraq: Governance, Security, Reconstruction, and Financing Challenges; Testimony of David Walker, Comptroller General of the United States,” April 25, 2006, p. 10.
150. NDI reconstruction officials, SIGIR interview, June 15, 2006.
151. USAID official, SIGIR interview, June 5, 2006.
152. UN/World Bank, “Joint Needs Assessment for Education,” October 2003, p. 14.
153. USAID response to SIGIR data request, July 19, 2006; USAID also reported to SIGIR that the number of schools has been slightly “up-scoped” since the last quarter.
154. USAID response to a SIGIR data request, July 18, 2006.
155. USAID, Weekly Status Report, March 17, 2006, p. 8.
156. Ministry of Human Rights Inspector General, SIGIR interview, July 8, 2006.
157. USAID official, SIGIR interview, June 5, 2006.
158. Coalition Provisional Authority, FY 2004 Supplemental Request to Rehabilitate and Reconstruct Iraq, September 2003, p. 48.
159. Department of State, *Section 2207 Report*, July 2006, p. I-123.
160. Department of State, *Section 2207 Report*, July 2006, pp. I-115-116.
161. Department of State, *Section 2207 Report*, July 2006, pp. I-118-119.
162. Department of State, *Section 2207 Report*, July 2006, p. I-123.
163. IRMO, Weekly Status Report, June 27, 2006, pp. 9-13.
164. IRMO-Office of Private Sector Development and Strategic Investment, email to SIGIR, July 15, 2006.
165. IRMO-Office of Private Sector Development and Strategic Investment, email to SIGIR, July 14, 2006.
166. USAID, Economic Growth Portfolio Review–PowerPoint Presentation, March 17, 2006, slide 2.
167. USAID, Economic Growth Portfolio Review–PowerPoint Presentation, March 17, 2006, slide 5.
168. USAID official, SIGIR interview, June 7, 2006.
169. USAID, Iraq Reconstruction Weekly Update, March 3, 2006, p. 2.

170. Izdihar, which means “prosperity” in Arabic, refers to the contractors for the private sector development program.
171. USAID vetting comments, July 18, 2006.
172. USAID, Fact Sheet: Promoting Microfinance and Bank Lending to Small Businesses, March 2006, p. 1.
173. USAID official, SIGIR interview, June 7, 2006.
174. USAID official, SIGIR interview, June 7, 2006.
175. USAID official, SIGIR interview, June 7, 2006.
176. USAID vetting response, July 18, 2006.
177. The 2006 Emergency Supplemental Appropriations Act (P.L. 109-234, p. 423) provided that \$3.007 billion of the ISFF will remain available until September 30, 2007.
178. Department of State, “Iraq Weekly Status Report,” June 14, 2006, p. 7.
179. Department of Defense, “Measuring Stability and Security in Iraq,” May 26, 2006, p. 4.
180. PCO, “Facilities and Transportation Sector—GRD-PCO Historical Narrative [DRAFT],” received from PCO on March 21, 2006.
181. GRD-PCO response to SIGIR data request, July 20, 2006.
182. GRD-PCO, “Bi-weekly Situation Report,” July 14, 2006, p. 3.
183. GRD-PCO data response, July 7, 2006.
184. GRD-PCO vetting comments, July 18, 2006.
185. GRD-PCO vetting comments, July 18, 2006; U.S. Army Corps of Engineers, “Termination of Parsons Global Services, Inc., Prison Contract Announced,” July 12, 2006.
186. Kimberly Mielcarek, “Termination of Parsons Global Services, Inc., Prison Contract Announced,” USACE Press Release, June 19, 2006.
187. GRD-PCO response to SIGIR data request, July 20, 2006.
188. Department of Defense, “Measuring Stability and Security in Iraq,” May 26, 2006, p. 15.
189. Department of State *Section 2207 Report*, Appendix 1, July 2006, pp. 31-32.
190. IRMO consultant to CPI, SIGIR interview, June 4, 2006.
191. Inspectors General. Joint Survey of the U.S. Embassy-Iraq’s Anticorruption Program (SIGIR-06-021),
192. DRSO response to SIGIR data request, July 17, 2006.
193. SIGIR Review of the Advanced First Responder Network (Audit 06-020)
194. Department of State, *Iraq Weekly Status*, July 5, 2006, p. 7; these numbers are further broken down as approximately 114,700 soldiers, 600 Air Force personnel, and 800 Navy personnel.
195. Department of State, *Iraq Weekly Status*, July 5, 2006, p. 7; these numbers are further broken down as approximately 107,000 police and highway patrol officers, with an additional 45,300 “other Ministry of Interior forces.”
196. Department of State, *Section 2207 Report*, Appendix 1, July 2006, p. 1.
197. Department of Defense, “Measuring Stability and Security in Iraq,” May 26, 2006, p. 51.

198. Department of Defense, “Measuring Stability and Security in Iraq,” July 2005, p. 13; According to DoD: “MNF-I has also implemented, in partnership with the Ministry of Defense, a program to embed Military Transition Teams at the battalion, brigade, and division level. These teams provide Transition Readiness Assessments (TRAs) to Multi-National Corps-Iraq (MNC-I) identifying areas of progress and shortcomings, ultimately leading to those individual units being ready to assume independent control of their area of responsibility. These assessments take into account a variety of criteria similar to but not identical to what the U.S. Army uses to evaluate its units’ operational readiness by focusing on personnel, command and control, training, sustainment/logistics, equipment, and leadership.” Overall, operational units are assessed as capable of planning, executing, and sustaining counterinsurgency operations independent of coalition forces (Level 1); capable of planning, executing, and sustaining counterinsurgency operations with coalition enablers (Level 2); or capable of conducting counterinsurgency operations only when operating alongside Coalition units (Level 3); Level 1, 2, and 3 units are all engaged in operations against the enemy.
199. Department of State, *Section 2207 Report*, Appendix 1, July 2006, pp. 1, 3.
200. Department of Defense, “Measuring Stability and Security in Iraq,” May 26, 2006, p. 47.
201. Department of State, *Section 2207 Report*, Appendix 1, July 2006, p. 1.
202. Department of Defense, “Measuring Stability and Security in Iraq,” May 26, 2006, p. 13.
203. DRSO staff, SIGIR interview, June 5, 2006.
204. Department of Defense, “Measuring Stability and Security in Iraq,” May 26, 2006, p. 17.
205. Department of Defense, “Measuring Stability and Security in Iraq,” May 26, 2006, p. 46.
206. Department of Defense, “Measuring Stability and Security in Iraq,” May 26, 2006, p. 51.
207. Inspector General Mucklous of the Ministry of Human Rights, SIGIR interview, July 8, 2006.
208. GAO Report 06-697T, “Rebuilding Iraq: Governance, Security, Reconstruction, and Financing Challenges—Statement of David M. Walker, Comptroller General of the United State, to the Subcommittee on National Security, Emerging Threats, and International Relations,” April 25, 2006, p. 22.
209. Inspector General Mucklous of the Ministry of Human Rights, SIGIR interview, July 8, 2006.
210. GAO Report 06-697T, “Rebuilding Iraq: Governance, Security, Reconstruction, and Financing Challenges – Statement of David M. Walker, Comptroller General of the United State, to the Subcommittee on National Security, Emerging Threats, and International Relations,” April 25, 2006, p. 17.
211. Department of State, *Iraq Weekly Status*, May 31, 2006, p. 8.
212. Department of State *Section 1227 Report*, July 6, 2006, p. 26.
213. The current number of PHCs to be completed is 142. Of those: 20 will be completed through the original design-build contract; 115 will be completed through fixed-price contracts, including one PHC that was always slated to be completed through this contracting method; and seven will be done with CERP. IRMO and GRD-PCO have reported to SIGIR that only one PHC is funded through CERP, and the rest are funded through IRRF 2. According to IRMS data as of June 30, 2006, however, seven PHCs are being constructed with CERP, including one that was destroyed last quarter in the Anbar governorate. SIGIR uses IRMS as its primary data source for project completion rates.

214. The number of hospital projects does not represent the number of facilities being rehabilitated, but rather the number of rehabilitation activities pertaining to hospitals. The Department of State July 2006 *Section 2207 Report* indicates that refurbishments at 20 hospitals will be overseen by GRD-PCO and the construction of one hospital will be overseen by USAID (Selected Metrics, p. 16).
215. IRMS and USAID project data for June 30, 2006.
216. IRMS and USAID project data for June 30, 2006; the 135 planned PHCs will all be completed with IRRF funding, while an additional seven PHCs will be completed with CERP.
217. Department of State, *Section 2207 Report*, Appendix 1, July 2006, p. 95.
218. GRD-PCO vetting comments, July 18, 2006.
219. IRMS data as of June 30, 2006; GRD-PCO Bi-weekly Situation Report, May 27, 2006, p. 15.
220. GRD-PCO response to SIGIR data request, June 22, 2006. The GRD-PCO weekly Iraq Reconstruction Report of 07/07/06 indicated that two IRRF-funded PHCs were open for patients as of 07/01/06.
221. GRD-PCO response to SIGIR data request, June 21, 2006.
222. Department of State, *Section 2207 Report*, Appendix 1, July 2006, p. 96.
223. Erich Langer, "Partial Termination of Parsons Global Services, Inc., Hospital Contract Announced," GRD-PCO Press Release, May 12, 2006.
224. GRD-PCO response to SIGIR data request, June 21, 2006; follow-up information received from GRD-PCO, July 7, 2006.
225. SIGIR identified many reporting anomalies in its audit, including the apparent inadequacy of USAID's accounting systems and processes to accurately identify and report hospital project costs to the Chief of Mission (Iraq) and to Congress (in *Section 2207 Reports*). The audit also raises questions about the method of recording indirect costs under USAID's IRRF-cost accounting processes.
226. USAID official, SIGIR interview, June 5, 2006.
227. Department of State, *Section 2207 Report*, July 2006, p. I-98.
228. USAID, email to SIGIR, April 7, 2006.
229. USAID vetting comments, July 18, 2006.
230. GRD-PCO, "Bi-weekly Situation Report," May 27, 2006, pp. 15-16.
231. USAID vetting comments, July 18, 2006.
232. USAID vetting comments, July 18, 2006.
233. NEA-USAID-PCO data call.
234. Department of State response to SIGIR data request, March 30, 2006.
235. This report combines two subsectors of the Department of State (DoS) *Section 2207 Report*: Transportation and Communications; and Roads, Bridges, and Construction. For information about the definitions of these and other sectors, see Appendix H.
236. GRD-PCO, Vetting comments to SIGIR, July 18, 2006.
237. Transport was estimated to need \$2 billion; Telecommunication was estimated to need \$1.38 billion. United Nations/World Bank, "Joint Iraq Needs Assessment," October 2003, pp. 26, 28.

238. Department of State, *Section 2207 Report*, July 2006, p. I-87.
239. GRD-PCO, SIGIR Data Request sent by DoS, Excel spreadsheet. Received via email June 19, 2006.
240. GRD-PCO, Vetting comments to SIGIR, Received via email July 18, 2006.
241. Department of State, *Section 2207 Report – Selected Metrics*, July 2006, pp. 14-15.
242. GRD-PCO, SIGIR Data Request sent by DoS, Excel spreadsheet. Received via email June 19, 2006.
243. Department of State, *Section 2207 Report*, July 2006, p. I-88.
244. GRD-PCO, SIGIR Data Request sent by DoS, Excel spreadsheet. Received via email June 19, 2006; Figures updated by GRD-PCO, Vetting comments to SIGIR, received on July 18, 2006. *Note: Last quarter SIGIR reported 97 railway stations completed based on the data request received from IRMO. In vetting comments to SIGIR this quarter, IRMO reported 97 stations completed with 7 additional stations to be awarded. The information presented in text was provided to the SIGIR data request by GRD-PCO.
245. GRD-PCO, “Response to SIGIR request dated February 25, 2006,” March 29, 2006, p. 10.
246. GRD-PCO, Vetting comments to SIGIR, received on July 18, 2006.
247. IRMO, Vetting comments to SIGIR, received on July 20, 2006.
248. IRMO, Information Memorandum from Acting IRMO Director to Deputy Chief of Mission, April 19, 2006.
249. Department of State, *Section 2207 Report*, July 2006, p. I-86.
250. GRD-PCO, SIGIR Data Request sent by DoS, Excel spreadsheet. Received via email June 19, 2006.
251. Department of State, email to SIGIR, March 31, 2006.
252. Economist Intelligence Unit, *Country Profile 2005 – Iraq*, 2005, p. 33.
253. GRD-PCO, Response to SIGIR data request, received on March 29, 2006.
254. Department of State, email to SIGIR, March 31, 2006.
255. GRD-PCO, Vetting comments to SIGIR, received on July 18, 2006.
256. GRD-PCO, SIGIR Data Request sent by DoS, Excel spreadsheet. Received via email June 19, 2006.
257. Department of State, *Section 2207 Report*, July 2006, p. I-93.
258. GRD-PCO, SIGIR Data Request sent by DoS, Excel spreadsheet. Received via email June 19, 2006. Updated by GRD-PCO, Vetting comments to SIGIR, received on July 18, 2006.
259. IRMO, Vetting comments to SIGIR, received on July 20, 2006.
260. GRD-PCO, Vetting comments to SIGIR, received on July 18, 2006.
261. GRD-PCO, SIGIR Data Request sent by DoS, Excel spreadsheet. Received via email June 19, 2006.
262. GRD-PCO, Vetting comments to SIGIR, received on July 18, 2006.
263. Project Contracting Office, *Facilities and Transportation Summary*, email to SIGIR on March 24, 2006, p. 8.
264. GRD-PCO, SIGIR Data Request sent by DoS, Excel spreadsheet. Received via email March 29, 2006.
265. GRD-PCO, “Response to SIGIR request dated February 25, 2006,” March 29, 2006, p. 8.
266. Department of State, email to SIGIR, March 31, 2006.

267. Department of State, email to SIGIR, July 12, 2006.
268. USAID, Vetting comments to SIGIR, received on July 18, 2006.
269. Department of State, *Section 2207 Report*, July 2006, p. I-89.
270. GRD-PCO, Vetting comments to SIGIR, received on July 18, 2006.
271. GRD-PCO, SIGIR Data Request sent by DoS, Excel spreadsheet. Received via email June 19, 2006.
272. Department of State, *Section 2207 Report*, July 2006, p. I-89.
273. GRD-PCO, Vetting comments to SIGIR, received on July 18, 2006.
274. IRMO, Vetting comments to SIGIR, received on July 20, 2006.
275. USAID, Completed Projects: Telecommunications, December 29, 2005. Available online at <http://www1.usaid.gov/iraq/accomplishments/telecom.html>.
276. Economist Intelligence Unit, Country Profile 2005 – Iraq, 2005, pp. 34-35.
277. IRMO, Information Memorandum from Acting IRMO Director to Deputy Chief of Mission, April 19, 2006.
278. Department of State, email to SIGIR, July 12, 2006.
279. IRMO, Weekly Status Report, June 27, 2006, p. 18.
280. Department of State, *Section 2207 Report – Selected Metrics*, July 2006, p. 15.
281. Department of State, Travel Warning – Iraq, December 29, 2005. Available online at http://travel.state.gov/travel/cis_pa_tw/tw/tw_921.html
282. IRMO, Vetting comments to SIGIR, received on July 20, 2006.
283. “Methodologies for Reporting Cost-to-Complete Estimates,” (SIGIR-05-027), January 27, 2006.
284. Embassy of Japan, email to SIGIR, July 14, 2006.
285. Embassy of United Kingdom, email to SIGIR, July 19, 2006
286. Available online at <http://ec.europa.eu>.
287. SIGIR discussion with World Bank Water and Environmental Sector Manager, June 21, 2006.
288. Available online at <http://www.irffi.org>.
289. SIGIR discussion with UN official; Amman, Jordan, May 24, 2006.
290. SIGIR discussion with senior UNDP official, May 24, 2006.
291. UNDG Iraq Trust Fund Newsletter, June 2006, p. 1.
292. Available online at <http://www.irffi.org>.
293. Available online at <http://www.imf.org>
294. “Managing Sustainment for Iraq Relief and Reconstruction Fund Programs,” SIGIR-05-022, October 24, 2005.
295. U.S. agencies and organizations include the Iraq Reconstruction Management Office (IRMO); the U.S. Army Corps of Engineers, Gulf Region Division-Project and Contracting Office (GRD-PCO); the U.S. Agency for International Development (USAID); and the Multi-National Security Transition Command-Iraq (MNSTC-I). In December 2005, the Project and Contracting Office was folded into the Gulf Region Division to form GRD-PCO.

296. P.L. 108-11, Emergency Wartime Supplemental Appropriations Act, 2003; and P.L. 108-106, Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004.
297. This included about \$300 million from P.L. 109-13, Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005.
298. Under the Federal Acquisition Regulation (FAR) section 16.603, a “letter contract” is written as a preliminary contractual instrument that authorizes the contractor to immediately begin manufacturing supplies or performing services.
299. Defense Federal Acquisition Regulation Supplement (DFARS), Subpart 217.7401(d).
300. DFARS, Subpart 217.7403.
301. IRRF includes \$52.3 million from the FY 2003 appropriation (IRRF 1) and \$129.5 million from the FY 2004 appropriation (IRRF 2).
302. Transparency International is a recognized international source of the measurement of corruption by country.
303. SIGIR attends these meetings as an observer.
304. CPA Memorandum 17, “Registration Requirements for Private Security Companies,” June 26, 2004.
305. Conversion rate as of May 28, 2006 (305,575,000 ID X \$0.0006803 U.S. dollar)
306. The three bills consisted of one 5,000 ID note, one 10,000 ID note, and one 25,000 ID note.
307. SIGIR-06-011, “Management of the Primary Healthcare Centers Construction Projects,” April 29, 2006.
308. SIGIR-06-016, “Interim Audit Report on the Review of the Equipment Purchased for Primary Healthcare Centers Associated with Parsons Global Services, Contract Number W914NS-04-D-0006,” April 4, 2006.
309. *Section 2207* of P.L. 108-106 requires a quarterly report to the House and Senate Committees on Appropriations on the use of all IRRF funds on a project-by-project basis. The required information is included in the DoS *Section 2207 Report* and an accompanying Project Assessment Report.
310. USAID Cost-to-Complete report, May 15, 2006.
311. This assessment was originally announced as an assessment of the Kirkuk-to-Baiji Pipeline Project. However, SIGIR learned that the pipeline project was intended only from Kirkuk to Al Fatah, approximately 10 km northwest of Baiji. Therefore, SIGIR modified the scope accordingly.
312. The State Company for Construction Projects is the Iraqi Ministry of Oil in-house design and construction firm.
313. This was how revenue was calculated: the 50-km pipeline project was to be completed by March 31, 2004, adding an additional 300,000 bpd. SIGIR multiplied the 821 days since the completion date passed by 300,000 bpd, which equals 246,300,000 barrels of oil. SIGIR multiplied the number of barrels of oil not produced by an estimated average cost of \$60 per barrel from April 2004 to the present.
314. SIGIR redesignated the investigative status of five additional cases.
315. IIGC members: SIGIR (Chair), DoS IG (Co-Vice Chair), DoD IG (Co-Vice Chair), Army IG, USAID IG, Treasury IG, DoC IG, DCAA, USAAA, GAO (observer member), USACE Chief Audit Executive (observer member).

